

SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION

The following sections contain definitions of certain terms used in, and a general summary (“Summary”) of, certain provisions of the TBTA Resolution. The definitions and Summary are not to be considered a full statement of all terms of the TBTA Resolution and, accordingly, are qualified by reference to and are subject to the full text of the TBTA Resolution. A copy of the TBTA Resolution may be obtained upon request from MTA or the Trustee. In the following Summary, TBTA is referred to as the “Issuer”.

Definitions

Additional TBTA Project shall mean one or more Transportation District Projects which the Issuer may now or hereafter be authorized to undertake. Each Additional TBTA Project shall be so designated by Supplemental Resolution adopted pursuant to the Resolution, and if not so designated shall not become an Additional TBTA Project. The term “Additional TBTA Project” shall not include the Convention Center Project. After the requirements of the section of the Resolution summarized under the caption “Additional TBTA Facilities” have been satisfied, the Transportation District Project so identified as an “Additional TBTA Project” shall become for all purposes of the Resolution a “TBTA Facility”.

Additional TBTA Project Revenues shall mean (i) all rates, fees, tolls, rentals or other charges and other earned income and receipts as derived in cash by or for the account of the Issuer from any Additional TBTA Projects and (ii) the proceeds of use and occupancy insurance on any portion of such Additional TBTA Projects and of any other insurance which insures against loss of revenues therefrom payable to or for the account of the Issuer.

Available TBTA Net Revenues shall mean all amounts on deposit in the General Account under the 1980 Resolution which are available to be transferred to the Issuer free and clear of the lien and pledge of the 1980 Resolution in accordance with the terms thereof.

Capital Cost Obligations shall mean Obligations for Capital Costs authenticated and delivered on original issuance.

Capital Costs shall mean (i) the costs of the Issuer or any other Related Entity for the planning, design, acquisition, construction, reconstruction, rehabilitation or improvement of all or any part of the TBTA Facilities, the TBTA Transit and Commuter Project or any Additional TBTA Project, as appropriate, including costs of acquisition of real or personal property or any interests therein, legal, administrative, engineering, planning, design, studies, insurance, financing costs (including Costs of Issuance), and initial working capital required for the commencement of operation of any such project and any capital contributions, whether or not represented by equity or debt securities or other evidences of indebtedness, made by the Issuer or any other Related Entity to any Person participating in TBTA Facilities, the TBTA Transit and Commuter Project or any Additional TBTA Project for the purpose of funding any costs described in this clause (i); (ii) amounts paid into any Fund or Account upon the issuance of any Obligations; and (iii) payment when due (whether at the maturity of principal or on the due date of interest or upon redemption or when otherwise due, including by purchase or through tender or exchange) on any indebtedness or obligation of the Issuer or any other Related Entity which was issued or incurred to finance costs that could at the time of such payment be funded directly hereunder, including Obligations, Obligation Anticipation Notes, Parity Debt, Subordinated Indebtedness, Subordinated Contract Indebtedness, or any termination or other payments for financial hedging arrangements, or any such indebtedness or obligation issued or incurred by any Related Entity in connection with the TBTA Facilities, the TBTA Transit and Commuter Project or any Additional TBTA Project, as appropriate.

COI Account shall mean the Account by that name established in the Proceeds Fund.

Convention Center Project shall mean all land, buildings, improvements (excluding the elevated railroad structure located thereon), betterments, fixed furnishings and other property, real or personal, and all appurtenances thereto and interests therein, comprising the convention and exhibition center project authorized under the Issuer Act, including facilities ancillary or functionally related thereto, at a location generally bounded by thirty-ninth street on the north, thirtieth street on the south, eleventh avenue on the east and twelfth avenue on the west in New York county, as such boundaries or facility may be modified or expanded from time to time.

Debt Service Fund shall mean the Fund by that name established in the Resolution.

Independent Engineer shall mean an engineer or engineering firm or corporation of national reputation retained by the Issuer to perform the acts and carry out the duties provided for such engineer in the Resolution.

Issuer shall mean TBTA.

Maximum Annual Calculated Debt Service shall mean, as of any date of calculation, an amount equal to the greatest amount of Calculated Debt Service for the then current or any future calendar year.

1980 Resolution shall mean the 1980 Revenue Bond Resolution adopted by the Issuer on July 23, 1980, as amended and supplemented.

Obligations shall mean any bonds, notes, commercial paper or other form of indebtedness of the Issuer payable from the Debt Service Fund, authorized by the section of the Resolution summarized under the caption "Authorization of the Obligations" and delivered pursuant to the section of the Resolution summarized under the caption "General Provisions for Issuance of Obligations" or authorized pursuant to the section of the Resolution summarized under the caption "Special Provisions for Capital Cost Obligations", but excluding Obligation Anticipation Notes to the extent payable from, and expected by an Authorized Officer to be paid from, the proceeds of Obligations or other Obligation Anticipation Notes.

Operating Expenses shall mean the Issuer's expenses (including reserves for such expenses not monthly recurrent) incurred in the normal course of business for operation, maintenance, repair, ordinary replacements and ordinary reconstruction of the TBTA Facilities and shall include, without limiting the generality of the foregoing: administrative expenses, insurance premiums, legal and engineering expenses, pension, retirement, health and hospitalization payments, charges payable by the Issuer pursuant to any licenses, orders or mandates from any agency or regulatory body having lawful jurisdiction, any payments in lieu of taxes or other payments to municipal governments agreed to be paid by the Issuer and any taxes, governmental charges, amounts agreed to be paid by the Issuer to any other Person due to the use of toll, fee or fare media by account holders to pay for goods or services provided by such Person, and any other expenses required to be paid by the Issuer, all to the extent properly and directly attributable to any TBTA Facility, financing costs of any Series of Obligations, the expenses, liabilities and compensation of the Fiduciaries pursuant to any agreement executed by the Issuer, all costs and expenses associated with or arising out of the research, development (including feasibility and other studies) and/or implementation of any project, facility, system, task or measure deemed desirable or necessary by the Issuer, and all other costs and expenses arising out of or in connection with the conduct of Issuer business, including those expenses the payment of which is not immediately required. Notwithstanding the foregoing, Operating Expenses shall exclude (i) any costs and expenses attributable to (a) the TBTA Transit and Commuter Project, (b) any Additional TBTA Project until the requirements of the section of the Resolution summarized under the caption "Additional TBTA Facilities" have been satisfied or (c) any Separately Financed Project, (ii) any costs or expenses for new construction or for reconstruction other than restoration of any part of a TBTA Facility to the condition of serviceability thereof when new, or (iii) any provision for depreciation, amortization or similar charges.

Prior Lien Obligations shall mean any bonds, notes or other obligations (including any related contractual obligations) of the Issuer that were issued pursuant to a resolution adopted prior to the date of adoption of the Resolution, are secured by all or any portion of the Revenues and remain outstanding following the date of issuance of the initial Series of Obligations under the Resolution, including any such bonds and notes issued under the (i) 1980 Resolution, (ii) 1991 Special Obligation Resolution adopted by the Issuer on July 26, 1991, as amended and supplemented, (iii) 1994 Subordinated Bond Resolution adopted by the Issuer on March 25, 1994, as amended and

supplemented, and (iv) Trust Agreement, dated as of April 1, 1993, by and among the Transit Authority, United States Trust Company of New York (as Certificate Trustee and as Lessor-Trustee) and the Issuer.

Proceeds Fund shall mean the fund by that name established in the Resolution.

Refunding Obligations shall mean all Obligations for refunding purposes authenticated and delivered on original issuance.

Resolution shall mean the General Resolution Authorizing General Revenue Obligations (including the Standard Resolution Provisions set forth as **Annex A** to the Resolution), as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms thereof.

Revenue Fund shall mean the fund by that name established in the Resolution.

Revenues shall mean all tolls, revenues, rates, fees, charges, rents, proceeds of use and occupancy insurance on any portion of the TBTA Facilities (including for purposes of this definition only, such net revenues derived from the “Battery Parking Garage” adjacent to the Manhattan Plaza of the Brooklyn-Battery Tunnel) and of any other insurance which insures against loss of Revenues therefrom payable to or for the account of the Issuer, and other income and receipts, as received by the Issuer directly or indirectly from any of the Issuer’s operations, including the ownership or operation of any TBTA Facilities, but excluding (i) Additional TBTA Project Revenues attributable to any Additional TBTA Project that has not been designated as a TBTA Facility in accordance with the Resolution (unless such Additional TBTA Project Revenues have otherwise been pledged to the payment of Obligations and Parity Debt), (ii) any such income or receipts attributable directly or indirectly to the ownership or operation of any Separately Financed Project or the TBTA Transit and Commuter Project, (iii) any such income or receipts attributable directly or indirectly to amounts released from, or otherwise not subject to, the pledge and lien of the Resolution, or (iv) any federal or state grant money the receipt of which is conditioned upon its expenditure for a particular purpose or which is otherwise not legally available for application.

Separately Financed Project shall mean any project described as such in the Resolution.

Standard Resolution Provisions shall mean the Standard Resolution Provisions appended to the Resolution as **Annex A**.

TBTA Facilities shall mean all or any portion of any one or more of the following:

- the bridge in the City, known and herein referred to as “Triborough Bridge”,
- the bridge in the City, known and herein referred to as “Bronx-Whitestone Bridge”,
- the bridge in the City, known and herein referred to as “Henry Hudson Bridge”,
- the bridge in the City, known and herein referred to as “Marine Parkway-Gil Hodges Memorial Bridge”,
- the bridge in the City, known and herein referred to as “Cross Bay Veterans Memorial Bridge”,
- the bridge in the City, known and herein referred to as “Throgs Neck Bridge”,
- the bridge in the City, known and herein referred to as “Verrazano-Narrows Bridge”,
- the tunnel in the City, known and herein referred to as “Queens-Midtown Tunnel”, and
- the tunnel in the City, known and herein referred to as “Brooklyn-Battery Tunnel”,

together with, in the case of each of the foregoing, such incidental structures, appurtenances and facilities as are necessary or appropriate thereto. For the purpose of the foregoing definitions “approaches” shall mean structures necessary or convenient to give access to a TBTA Facility from connecting streets, roads, parkways, highways and avenues. In addition, any Additional TBTA Project that has met the requirements of the Resolution shall thereafter become for all purposes of the Resolution a “TBTA Facility”.

TBTA Transit and Commuter Project shall mean any Transportation District Project that may be financed with obligations issued by the Issuer, in accordance with applicable law, for the benefit of any transit system or commuter system.

Trust Estate shall mean, collectively, but subject to the terms and provisions of the Resolution, all right, title and interest of the Issuer in:

- (i) the proceeds of the sale of the Obligations,
- (ii) the Revenues, and
- (iii) all Funds, Accounts and subaccounts established by the Resolution (other than funds, and any accounts and subaccounts therein, established pursuant to a Supplemental Resolution in connection with Variable Interest Rate Obligations, Put Obligations, Parity Debt, Subordinated Indebtedness or Subordinated Contract Obligations; provided, however, that such funds, accounts and subaccounts are specifically excepted from the Trust Estate by the Supplemental Resolution authorizing such Variable Interest Rate Obligations, Put Obligations, Subordinated Indebtedness or Subordinated Contract Obligations), including the investments, if any, thereof.

(Section 102)

Standard Resolution Provisions

Except as otherwise specifically provided in the Resolution or by Supplemental Resolution, the Standard Resolution Provisions appended to the Resolution as Annex A constitute an integral part of the Resolution and have the same force and effect as if set forth in the forepart of the Resolution.

(Section 101)

Authorization of the Obligations

The Resolution authorizes Obligations of the Issuer designated as “General Revenue Obligations”, which may be issued in one or more Series or subseries. Obligations may be issued as Tax-Exempt Obligations, as Taxable Obligations, as obligations which convert on a particular date or dates from Taxable Obligations to Tax-Exempt Obligations, or as Taxable Obligations which are mandatorily exchangeable on a particular date or dates for Tax-Exempt Obligations, or otherwise as determined by Supplemental Resolution. The Obligations shall be direct and general obligations of the Issuer payable solely from the Trust Estate pledged to the payment thereof pursuant to the first paragraph of the section of the Resolution summarized under the caption “The Pledge Effected by the Resolution”. The aggregate principal amount of the Obligations which may be executed and delivered under the Resolution is not limited except as provided in the Resolution or as may from time to time be limited by law.

(Section 201)

General Provisions for Issuance of Obligations

The Opinion of Bond Counsel required by the Resolution for the issuance of Obligations shall be to the effect that the Obligations are valid, binding, direct and general obligations of the Issuer, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Issuer Act as amended to the date of such Opinion of Bond Counsel.

(Section 202)

Special Provisions for Capital Cost Obligations

The Obligations issued to pay, or to provide for the payment of, all or part of Capital Costs relating to **TBTA Facilities** only upon receipt by the Trustee (in addition to the items required by the section of the Resolution summarized under the caption "General Provisions for Issuance of Obligations" and paragraph 3 of this caption) of the certification of an Authorized Officer that the proceeds thereof are to be applied to Capital Costs relating to TBTA Facilities for the purpose of keeping such TBTA Facilities in good operating condition or preventing a loss of Revenues or Revenues after payment of Operating Expenses derived from such TBTA Facilities.

The Obligations issued to pay or provide for the payment of all or part of Capital Costs relating to the TBTA Transit and Commuter Project or any Additional TBTA Project or any TBTA Facilities for a purpose other than as set forth in the previous paragraph, in each case only upon receipt by the Trustee of:

- (a) A certificate of an Authorized Officer setting forth (i) the aggregate principal amount of all Obligations and Parity Debt of all Series to be Outstanding immediately after such authentication and delivery, (ii) the Calculated Debt Service for such Obligations and Parity Debt for the then current and each future calendar year, and (iii) the Maximum Annual Calculated Debt Service for such period, including, in each case, the proposed Capital Cost Obligations and any proposed Refunding Obligations being treated as Capital Cost Obligations for purposes of clause (ii) of the second paragraph under the section of the Resolution summarized under the caption "Refunding Obligations" hereof but excluding any Obligations or Parity Debt to be refunded with the proceeds of such Refunding Obligations.
- (b) A certificate of an Authorized Officer setting forth the Revenues and Operating Expenses for any period of 12 consecutive calendar months out of the 18 complete calendar months next preceding the date of authentication and delivery of the Obligations of such Series (for purposes of this caption only, the "Twelve Month Period"); provided that in such certificate (i) if, on the date of authentication and delivery of the Obligations of such Series, any TBTA Facility shall not have been a TBTA Facility for all or any part of the Twelve Month Period, the Revenues and Operating Expenses of all TBTA Facilities shall be, respectively, increased by the revenues and operating expenses of such TBTA Facility for such Twelve Month Period or part thereof calculated as if the respective definitions of "Revenues" and "Operating Expenses" in the Resolution had been applicable thereto, (ii) if, on the date of authentication and delivery of the Obligations of such Series, the toll rate for any classification of vehicles using any vehicular toll TBTA Facility shall be less than it was during any part of the Twelve Month Period, then solely for the purposes of such certificate, the Revenues for the Twelve Month Period shall be decreased by an amount equal to the difference in such toll rate multiplied by the number of such vehicles which used such TBTA Facility during such part of the Twelve Month Period, and (iii) if during the Twelve Month Period the toll rate for any classification of vehicles using any vehicular toll TBTA Facility shall have been increased, then solely for the purposes of such certificate, the Revenues for the Twelve Month Period may be increased by an amount equal to the difference in such toll rate multiplied by the number of such vehicles which used such TBTA Facility during such part of the Twelve Month Period;
- (c) A certificate of an Authorized Officer setting forth:
 - (i) the amount of Revenues for the Twelve Month Period specified in the certificate;
 - (ii) the amount of Operating Expenses for the Twelve Month Period specified in the certificate;
 - (iii) the balance remaining after subtracting the amount set forth in subclause (ii) above, from the amount set forth in subclause (i), above (for purposes of this caption, the "Twelve Month Period Net Revenues");

- (iv) The Maximum Annual Calculated Debt Service for all Series of Obligations and Parity Debt Outstanding on the date of authentication and delivery of the Series of Obligations to be issued (including such additional Obligations), calculated in the manner set forth in subparagraph (a) of the previous paragraph above under this caption; and
- (v) that the Twelve Month Period Net Revenues are at least equal to 1.40 times the Maximum Annual Calculated Debt Service specified in subclause (iv) above.

Notwithstanding the foregoing provisions of this caption, so long as Prior Lien Obligations remain outstanding and Operating Expenses are provided for under the terms of the 1980 Resolution, the calculations required by this caption shall be made, but (i) such calculations shall be based upon Available TBTA Net Revenues during the Twelve Month Period rather than Revenues and (ii) no subtraction of Operating Expenses from Available TBTA Net Revenues shall be required.

(Section 203)

Refunding Obligations

In addition to refinancings permitted under the section of the Resolution summarized under the captions “Special Provisions for Capital Cost Obligations” and “Obligations to Refund Pre-Existing Indebtedness”, one or more Series of Refunding Obligations issued to refund (including by redemption, payment at maturity or in connection with exchanges or tenders) all or any portion of any Outstanding Obligations or Parity Debt.

In addition to the requirements of the Resolution, the Refunding Obligations of any Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee of:

- (a) If the Obligations or Parity Debt to be refunded are to be redeemed, instructions to the Trustee and/or trustee for the Parity Debt, satisfactory to it, to give due notice of redemption of all the Obligations or Parity Debt to be refunded on the redemption dates specified in such instructions;
- (b) If the Obligations or Parity Debt to be refunded are to be deemed paid within the meaning of the Resolution, irrevocable instructions to the Trustee and/or trustee for the Parity Debt, satisfactory to it, to provide notice in the manner provided in the Resolution with respect to the payment of such Obligations or Parity Debt;
- (c) If the Obligations or Parity Debt to be refunded are to be deemed paid, either (i) money or (ii) Defeasance Securities as shall be necessary to comply with the provisions of the Resolution or defeasance securities as shall be necessary with respect to Parity Debt, which money and Defeasance Securities (or defeasance securities) shall be held in trust and used only as provided in the Resolution;
- (d) If the proceeds of such Series of Refunding Obligations are to be utilized by the Issuer to purchase (in connection with a tender for or redemption of Obligations or Parity Debt, or otherwise) Obligations or Parity Debt to be delivered to the Trustee in satisfaction of a Sinking Fund Installment in accordance with the Resolution, a certificate of an Authorized Officer specifying the matters required thereby; and
- (e) Either (i) a certificate of an Authorized Officer (A) setting forth (1) the Maximum Annual Calculated Debt Service on the Obligations and Parity Debt (including the Refunding Obligations then proposed to be issued but not including the Obligations and Parity Debt to be refunded) and (2) the Maximum Annual Calculated Service on the Obligations and Parity Debt as calculated immediately prior to the issuance of the Refunding Obligations (including the Obligations and Parity Debt to be refunded but not including the Refunding Obligations) and (B) stating that the Maximum Annual Calculated Debt Service set forth pursuant to (1) above is not greater than the Maximum Annual Calculated Debt Service set forth pursuant to (2) above; or (ii) upon satisfaction

of the requirements of the section of the Resolution summarized under the caption “Special Provisions for Capital Cost Obligations” applicable to the type of Capital Costs being refinanced with respect to such Series of Refunding Obligations, considering for all purposes of any certificate delivered pursuant to the second paragraph of the section of the Resolution summarized under the caption “Special Provisions for Capital Cost Obligations” that (A) such Series of Refunding Obligations is a Series of Capital Cost Obligations and (B) the Refunding Obligations then proposed to be issued will be Outstanding but the Obligations or Parity Debt to be refunded will no longer be Outstanding.

(Section 204)

Obligations to Refund Pre-existing Indebtedness

Obligations may be issued for the purpose of refunding (including by redemption, payment at maturity or in connection with exchanges or tenders) any Pre-existing Indebtedness.

Any Series of Obligations issued for the purpose of refunding any Pre-existing Indebtedness shall be so authenticated and delivered only upon receipt by the Trustee, in addition to the documents required by the section of the Resolution summarized under the caption “General Provisions for the Issuance of Obligations”, of an Opinion of Bond Counsel to the effect that such Pre-existing Indebtedness has been exchanged, paid or is deemed to have been paid within the meaning and with the effect expressed in the related authorizing resolution or other document, which opinion may rely upon a certificate of an Authorized Officer or an independent verification agent to the effect that sufficient money and defeasance securities have been placed in escrow to provide for the payment of the principal or Redemption Price of, and interest on, such Pre-existing Indebtedness as such obligations mature, are tendered for purchase or exchange, or are called for redemption in accordance with the related authorizing resolution or other document. The proceeds received on the sale of such Obligations shall be applied in the manner provided in the Supplemental Resolution authorizing such Obligations and in any related escrow agreement.

(Section 205)

Separately Financed Projects

Nothing in the Resolution prevents the Issuer from authorizing and issuing bonds, notes, or other obligations or evidences of indebtedness, other than Obligations, for any project authorized by the Issuer Act or by other then-applicable State statutory provisions, or from financing any such project from other available funds (any such project including the Convention Center Project being referred to herein as a “**Separately Financed Project**”), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, if any, and the Issuer's share of any operating expenses related to such Separately Financed Project are payable solely from funds not pledged to the payment of Obligations, including amounts released from the lien of the Resolution.

(Section 206)

Redemption at Demand of the State or the City

Except as otherwise provided pursuant to a Supplemental Resolution, either the State or the City may, upon furnishing sufficient funds therefor, require the Issuer to redeem all or any portion of the Obligations as provided in the Issuer Act.

(Section 401)

The Pledge Effected by the Resolution

There are pledged for the payment of the principal and Redemption Price of, and interest on, and Sinking Fund Installments for the Obligations and, on a parity basis, the Parity Debt, in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, all right, title and interest of the Issuer in the Trust Estate. *The pledge created by the Resolution, insofar as it relates to any portion of the Trust Estate pledged to the payment of Prior Lien Obligations, is (i) subordinate in all respects to the pledge thereof created to secure such Prior Lien Obligations and (ii) subject to the covenants and agreements made with the holders of Prior Lien Obligations; and, so long as any Prior Lien Obligations remain outstanding and unpaid, no payment shall be made from the Trust Estate, whether for interest, principal or premium on any of the Obligations, except as and to the extent permitted by the related authorizing resolutions or other trust documents. In order to provide for the payment of the Obligations and Parity Debt and the fulfillment of its covenants and agreements under the Resolution so long as any Prior Lien Obligations remain outstanding and unpaid (during which time the pledge of Revenues shall be of no force and effect), the Issuer covenants that it shall on or before the last Business Day of each month, but subject to the covenants and agreements made with the holders of all Prior Lien Obligations then outstanding, transfer or cause to be transferred to the Trustee all Available TBTA Net Revenues free and clear of any lien or pledge for Prior Lien Obligations. The Issuer further covenants that so long as any Prior Lien Obligations remain outstanding and unpaid, it will make payments into the funds and accounts established under the 1980 Resolution in the manner and in the amounts required by the 1980 Resolution.*

The pledge created by the Resolution shall in all respects secure on a pari passu basis all of the Obligations and Parity Debt and, except as expressly so provided, nothing contained in the Resolution shall be deemed to confer on the Owners of any Obligations or Parity Debt any rights in the Trust Estate superior or inferior to the Owners of any other Obligations or Parity Debt.

The pledge created by the Resolution shall be valid and binding from and after the date of issuance and delivery of the first Obligations, and the Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

Subject to the provisions described above, the Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken.

Nothing contained in this caption shall be construed as limiting any authority granted to the Issuer elsewhere in the Resolution to issue or incur Obligation Anticipation Notes, Subordinated Indebtedness or Subordinated Contract Obligations or shall be deemed a limitation upon the authority of the Issuer to issue any other bonds, notes or other obligations under the Issuer Act secured by any income and funds other than the Trust Estate.

(Section 501)

Establishment of Funds and Accounts

The Resolution establishes a Revenue Fund, a Proceeds Fund, a Debt Service Fund, and a General Fund.

Established within the Proceeds Fund is the COI Account. The Issuer may establish one or more additional funds, accounts or subaccounts by delivering to the Trustee a certificate of an Authorized Officer. Amounts held at any time by the Issuer in any of the Funds or Accounts shall be held in trust separate and apart from all other funds of the Issuer.

(Section 502)

Revenue Fund

The Issuer shall pay into the Revenue Fund all Revenues (and, so long as Prior Lien Obligations remain outstanding, Available TBTA Net Revenues) as and when received and available for deposit. The Issuer shall also pay into the Revenue Fund such portion of the proceeds of any Series of Obligations which may have been issued to pay Operating Expenses as shall be specified pursuant to the Supplemental Resolution authorizing such Series. Amounts in the Revenue Fund shall be paid out, accumulated, transferred or withdrawn from time to time (but no less frequently than on or before the 25th day of each calendar month) for the following purposes and, as of any time, in the following order of priority:

- (a) payment of reasonable and necessary Operating Expenses or accumulation in the Revenue Fund as a reserve (i) for working capital, (ii) for such Operating Expenses the payment of which is not immediately required, including amounts determined by the Issuer to be required as an operating reserve in accordance with this caption, or (iii) deemed necessary or desirable by the Issuer to comply with orders or other rulings of an agency or regulatory body having lawful jurisdiction;
- (b) transfer to the Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Accrued Debt Service to the last day of the current calendar month; provided, however, that in no event shall the amount to be so transferred be less than the amounts required for all payment dates occurring prior to the 25th day of the next succeeding calendar month; provided further that, for the purposes of computing the balance in said Fund, there shall be included the amount, if any, set aside in any account within the Debt Service Fund or the Proceeds Fund or otherwise in trust for the payment of interest on Obligations or Parity Debt to the last day of the current calendar month;
- (c) transfer to another Person in accordance with any Supplemental Resolution or other authorizing document creating Subordinated Indebtedness or Subordinated Contract Obligations for payment of, or accrual for payment of, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligation, except to the extent that any such Supplemental Resolution or other authorizing document creating Subordinated Indebtedness or Subordinated Contract Obligations provides that such amounts are payable solely from the General Fund; and
- (d) transfer to the General Fund.

Amounts paid out from any Fund or Account for an authorized purpose (excluding transfers to any other pledged Fund or Account), or withdrawn pursuant to the second paragraph of the section of the Resolution summarized under the caption "Subordinated Indebtedness; Subordinated Contract Obligations", shall be free and clear of the lien and pledge created by the Resolution.

The Issuer shall from time to time, and in all events prior to any withdrawal of money from the Revenue Fund pursuant to subparagraph (d) of the first paragraph under this caption, determine (i) the amount, to be held as a reserve in the Revenue Fund, which in the judgment of the Issuer is adequate for the purpose of providing for the costs of emergency repairs or replacements essential to restore or prevent physical damage to, and prevent loss of Revenues from, any TBTA Facilities and (ii) the amount, to be held as a reserve in the Revenue Fund, which in the judgment of the Issuer is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments and improvements with respect to any TBTA Facilities necessary to keep the same in operating condition or required by any governmental agency having jurisdiction over such TBTA Facilities and to provide a reserve for the retirement from service, decommissioning or disposal of facilities comprising either a TBTA Facility or a part of a TBTA Facility.

Amounts in the Revenue Fund may in the discretion of the Issuer be invested in Authorized Investments. Earnings on money and investments in the Revenue Fund shall be deposited in the Revenue Fund. The Issuer may sell any such Authorized Investments at any time and the proceeds of such sale and of all payments of principal or interest received at maturity or upon redemption or otherwise of such Authorized Investments shall be deposited in the Revenue Fund.

That amount, if any, set aside by the Issuer in one or more reserve accounts in the Revenue Fund may be used by the Issuer at such time or times and in such amounts as determined by the Issuer for the purpose of paying all or a portion of the interest on and the principal or Redemption Price of the Obligations and payment of Parity Debt, on a parity basis, on their respective due dates or redemption dates, as the case may be.

(Section 503)

Proceeds Fund

The Issuer shall pay into the Proceeds Fund (and any designated Account or subaccount thereof) the amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution authorizing the issuance of any Series of Obligations for the purpose of financing Capital Costs relating to the TBTA Facilities, the TBTA Transit and Commuter Project and any Additional TBTA Projects. The portion of any such amount determined by Supplemental Resolution to be used for the payment of Costs of Issuance shall be paid into and disbursed from the COI Account.

Unless otherwise provided in a Supplemental Resolution or in a resolution authorizing Obligation Anticipation Notes, amounts in the Proceeds Fund shall be applied solely to pay Capital Costs relating to the TBTA Facilities, the TBTA Transit and Commuter Project and any Additional TBTA Projects, as applicable. Any amounts in the Proceeds Fund which are in excess of the amounts required to pay for such costs may at the direction of an Authorized Officer be transferred to the Revenue Fund or the Debt Service Fund. Upon the direction of an Authorized Officer, amounts in the Proceeds Fund may be invested in Authorized Investments. Except to the extent that a certificate of an Authorized Officer or a Supplemental Resolution provides that earnings on money and investments in the Proceeds Fund shall be deposited in the Revenue Fund or the Debt Service Fund, such earnings shall be retained in the Proceeds Fund. Upon the direction of an Authorized Officer, the Issuer may, and to the extent required for payments from the Proceeds Fund shall, sell any such obligations at any time, and the proceeds of such sale, and of all payments of principal or interest received at maturity or upon redemption or otherwise of such obligations shall be deposited in the Proceeds Fund.

Subject to any priority for Obligation Anticipation Notes, amounts in such Proceeds Fund must be applied to the payment of principal and Redemption Price of and interest on the Obligations and the payment of Parity Debt, on a parity basis, when due at any time that other money is not available therefor.

(Section 504)

Debt Service Fund

The Issuer shall pay out of the Debt Service Fund to the respective Paying Agents (i) on or before each interest payment date for any of the Obligations or Parity Debt the amount required for the interest payable on such date unless such interest is paid from the Proceeds Fund as capitalized interest, (ii) on or before each principal payment due date for any of the Obligations or Parity Debt the amount required for the principal amount (including the portion thereof payable in respect of a Parity Reimbursement Obligation) payable on such date, and (iii) on or before any redemption date for the Obligations or Parity Debt the amount required for the payment of the Redemption Price of and interest on the Obligations or Parity Debt then to be redeemed.

In the event of the refunding (including in connection with any payment at maturity, redemption, purchase, tender or exchange) of any Obligations, the Issuer may withdraw from the Debt Service Fund all or any portion of the amounts accumulated therein with respect to the Debt Service on the Obligations being refunded and (a) deposit such amounts, free and clear of any lien, pledge or claim of the Resolution, with itself or an escrow agent to be held in trust solely for the purchase, exchange or payment of the principal or Redemption Price, if applicable, of and interest on the Obligations being refunded, (b) apply such amounts to pay the Costs of Issuance of the refunding Obligations, or (c) deposit such amounts in any Fund or Account established hereunder; provided, however, that no such withdrawal or deposit shall be made unless (i) upon such refunding, the Obligations being refunded shall be deemed to have been paid within the meaning and with the effect provided in the Resolution and (ii) at the time of

and giving effect to such withdrawal and refunding, there shall exist no deficiency in any Fund or Account established under the Resolution.

(Section 505)

General Fund

Amounts in the General Fund are to be transferred, in the following order, to the Debt Service Fund and the Revenue Fund to make up deficiencies in or to set aside reserves for such Funds.

Subject to any lien or pledge securing Subordinated Indebtedness that has been determined by the Issuer to be superior to such purposes, amounts in the General Fund not immediately required for the purposes referred to the previous paragraph shall, pursuant to resolution of the Issuer, be paid to or upon the order of the Issuer, free and clear of the lien and pledge created by the Resolution, for any lawful corporate purpose of the Issuer, including payment of amounts due with respect to Subordinated Indebtedness.

Purchases of Obligations, Obligation Anticipation Notes or Subordinated Indebtedness from amounts in the General Fund shall be made at the direction of the Issuer, with or without advertisement and with or without notice to other Owners of Obligations, Obligation Anticipation Notes or Subordinated Indebtedness. Such purchases shall be made at such price or prices as determined by the Issuer. If Sinking Fund Installments have been established for the maturities of Obligations purchased by the Issuer, then the Issuer shall direct the Trustee to credit the principal amount purchased against the applicable Sinking Fund Installments in such order and amounts as determined by the Issuer.

Investment income on amounts in the General Fund shall be deposited into the Revenue Fund.

(Section 506)

Subordinated Indebtedness; Subordinated Contract Obligations

The Issuer may, at any time, or from time to time, issue Subordinated Indebtedness or incur Subordinated Contract Obligations payable out of, and which may be secured by a pledge of and lien on, such amounts as may from time to time be available for transfer pursuant to the Resolution, as specified with respect to any such Subordinated Indebtedness or Subordinated Contract Obligations by Supplemental Resolution or an Authorized Officer; provided, however, that (a) such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution as security for the Obligations and Parity Debt and (b) to the extent provided by Supplemental Resolution, any amounts so transferred shall thereafter be free and clear of any lien, pledge or claim of the Resolution. The Issuer may establish such priorities of payment and security among Subordinated Indebtedness and Subordinated Contract Obligations as it deems appropriate.

The Issuer shall have the right to covenant with Persons to whom Subordinated Contract Obligations run and with the holders from time to time of Subordinated Indebtedness in order to add to the conditions, limitations and restrictions under which any additional Capital Cost Obligations or Refunding Obligations may be issued or Parity Debt incurred; provided, however, that the Supplemental Resolution or indenture or other agreement providing for the issuance of such Subordinated Indebtedness or the incurrence of such Subordinated Contract Obligations shall not permit the holders of such obligations to declare the same, nor to instruct such holders' trustee to declare the same, to be immediately due and payable prior to any time that all Obligations and Parity Debt have become due and payable.

(Section 507)

Power to Construct and Operate TBTA Facilities and Collect Tolls and Fees

The Issuer has, and will have so long as any Obligations are Outstanding, good right and lawful power to construct, reconstruct, improve, maintain, operate, finance, rehabilitate and repair the TBTA Facilities, and to fix and collect tolls, fees, rents and other charges as provided in the Resolution, or to cause the foregoing to be done.

(Section 601)

Sale and Lease of Property

No part of the TBTA Facilities shall be sold, mortgaged, leased or otherwise disposed of or encumbered, except that the Issuer may (i) sell, exchange or otherwise dispose of at any time and from time to time any property or facilities constituting part of any TBTA Facilities and not useful, in the opinion of the Issuer, in the operation thereof, (ii) lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to any part of, that portion of the TBTA Facilities described in subparagraph (iv) of said definition of TBTA Facilities constituting the parking field connected with Jacob Riis Park, or (iii) lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, or otherwise dispose of, all or any part of any TBTA Facility, if such lease, contract, license, easement, right or other disposition does not, in the opinion of the Issuer, either (a) impede or restrict the operation by the Issuer of such TBTA Facility or (b) materially adversely affect the ability of the Issuer to comply with the covenants contained in the section of the Resolution summarized under the caption "Rates and Fees" taking into account application of the proceeds thereof.

Subject to the rights of the City under the TBTA Act, (i) any net proceeds of any sale, exchange or other disposition of property or facilities constituting part of TBTA Facilities pursuant to the paragraph above shall be deposited in the Revenue Fund or (so long as there is no deficiency in any other Fund or Account) such other Fund or Account designated in writing by an Authorized Officer, and any payments to the Issuer under or in connection with any such easement or right in respect of TBTA Facilities shall be deposited in the Revenue Fund, and (ii) payments received by the Issuer in connection with any such lease, contract, license or other disposition with respect to any part of any TBTA Facilities shall be deemed to be Revenues.

Notwithstanding any other provision of this caption, the Issuer may, to the extent and in the manner permitted by law, including the TBTA Act as the same may from time to time be amended:

- (a) Sell, exchange, mortgage, lease or otherwise dispose of or encumber, with or without consideration, any asset which is not a TBTA Facility;
- (b) Sell for fair economic value (as determined by the Issuer) all or any part of any other TBTA Facilities; provided, that (i) prior to the sale of any TBTA Facilities as permitted in this clause (b), the Trustee shall receive a certificate of an Authorized Officer to the effect that such sale will not materially adversely affect the Issuer's ability to comply with the provisions of the section of the Resolution summarized under the caption "Rates and Fees" taking into account the anticipated application of the proceeds thereof, and (ii) the proceeds of such sale shall be deposited in the Debt Service Fund or in the Revenue Fund and be applied to the payment, purchase or redemption of Obligations.

(Section 602)

Creation of Liens, Issuance of Subordinated Indebtedness, Subordinated Contract Obligations and Other Debt

The Issuer shall not issue any bonds or other evidences of indebtedness, other than the Obligations and Parity Debt as provided herein, secured by a pledge of the Trust Estate and shall not create or cause to be created any lien or charge on the Trust Estate except to the extent provided in the Resolution; provided, however, that the Issuer may, at any time, or from time to time, incur Subordinated Indebtedness or enter into Subordinated Contract Obligations payable out of, and which may be secured by a pledge of, such amounts as may from time to time be available for the purpose of the payment thereof in accordance with subparagraph (c) of the first paragraph of the

section of the Resolution summarized under the caption "Revenue Fund" and such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution as security for payment of the Obligations and Parity Debt; and provided further that nothing contained in the Resolution shall prevent the Issuer from issuing (i) bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution to finance a Separately Financed Project, or (ii) other bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution payable from, among other sources, money withdrawn by the Issuer from the General Fund pursuant to the second paragraph of the section of the Resolution summarized under the caption "General Fund".

(Section 604)

Operation and Maintenance

The Issuer shall at all times operate or cause to be operated the TBTA Facilities properly and in a sound and economical manner and shall maintain, preserve, reconstruct and keep the same or cause the same to be maintained, preserved, reconstructed and kept, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted; provided, however, that nothing herein contained shall be construed (i) to affect the Issuer's powers under the section of the Resolution summarized under the caption "Sale and Lease of Property" or (ii) to prevent the Issuer from ceasing to operate or maintain, or from leasing or disposing of, all or any of the TBTA Facilities if, in the judgment of the Issuer, it is advisable to lease, dispose of, or not to operate and maintain the same and the operation thereof shall not be essential to the maintenance and continued operation of any remaining TBTA Facilities and such cessation or disposition will not materially impair the Issuer's ability to meet the requirements of the section of the Resolution summarized under the caption "Rates and Fees", and provided further that the sale-leaseback or the lease-leaseback of any of the TBTA Facilities or other similar contractual arrangements, the effect of which is that the Issuer continues to retain as part of the Trust Estate the Revenues from such TBTA Facilities, shall not constitute a lease or disposition of such TBTA Facility for purposes of this caption or the section of the Resolution summarized under the caption "Sale and Lease of Property".

(Section 605)

Rates and Fees

The Issuer shall at all times establish, levy, maintain and collect, or cause to be established, levied, maintained and collected, such tolls, rentals and other charges in connection with the TBTA Facilities as shall always be sufficient, together with other money available therefor (including the anticipated receipt of proceeds of sale of Obligations or other bonds, notes, or other obligations or evidences of indebtedness of the Issuer that will be used to pay the principal of Obligations issued in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of the TBTA Facilities), to equal or exceed in each calendar year the greater of (A) an amount equal to the sum of amounts necessary in such calendar year (i) to pay all Operating Expenses of the Issuer, (ii) to pay Calculated Debt Service, all amounts due with respect to Prior Lien Obligations and the debt service on all Subordinated Indebtedness then outstanding, and all Subordinated Contract Obligations, all as the same respectively become due and payable, and (iii) to maintain any reserve established by the Issuer pursuant to the Resolution, in such amount as may be determined from time to time by the Issuer in its judgment and (B) (i) so long as Prior Lien Obligations remain outstanding and Operating Expenses are provided for under the terms of the 1980 Resolution, an amount such that Available TBTA Net Revenues shall equal at least 1.25 times Calculated Debt Service for such calendar year and (ii) thereafter, an amount such that Revenues less Operating Expenses shall equal at least 1.25 times Calculated Debt Service for such calendar year.

Notwithstanding the foregoing provisions of this Section, the toll rate for automobiles, which contain not more than two persons, using the following designated TBTA Facilities shall at all times be at least one dollar for each crossing over the Verrazano-Narrows Bridge, the Triborough Bridge (a round trip to Randall's Island or Ward's Island to constitute a single crossing), the Bronx Whitestone Bridge, the Throgs Neck Bridge or through the Brooklyn-Battery Tunnel or the Queens-Midtown Tunnel, at least sixty cents for each crossing over the Henry Hudson Bridge and at least fifty cents for each crossing over the Marine Parkway-Gil Hodges Memorial Bridge or the Cross Bay Veterans Memorial Bridge. In connection with the use of single fare tokens issued by the Issuer as a

means of paying tolls on any of the aforementioned facilities, the Issuer may allow 1 toll free crossing with the purchase of a package of at least twenty such tokens.

Except as hereinafter set forth, the undiscounted toll rate for automobiles which contain not more than two persons shall at all times be at least three dollars for each crossing over the Triborough Bridge (a round trip to Randall's Island or Ward's Island to constitute a single crossing), the Bronx-Whitestone Bridge or the Throgs Neck Bridge or through the Brooklyn Battery Tunnel or the Queens-Midtown Tunnel, at least two dollars and fifty cents for each crossing of the Verrazano-Narrows Bridge, at least one dollar and fifty cents for each crossing over the Henry Hudson Bridge, and at least one dollar and twenty-five cents for each crossing of the Marine Parkway-Gil Hodges Memorial Bridge or the Cross Bay Veterans Memorial Bridge; the minimum undiscounted toll rates established in this paragraph shall not be applicable to tolls collected from such automobiles by means of an electronic toll collection system, and the minimum undiscounted toll collected in such manner from such automobiles for each of the TBTA Facilities shall be deemed to be the highest minimum undiscounted toll rate for such TBTA Facilities elsewhere provided in this caption.

In the event that the Issuer shall at any time impose a surcharge or surcharges in addition to the toll rate for crossings or specified crossings over or through any one or more of the TBTA Facilities, such surcharge or surcharges shall not constitute part of the toll rate to which it is added for purposes of computing the maximum discount from the applicable undiscounted toll rate permitted by this caption, and the Issuer may exempt or exclude, in whole or in part, from the application of any such surcharge specified users or classes of users without regard to the limits on maximum discounts from undiscounted toll rates provided in this caption.

In the event that the Issuer at any time imposes on one or more of the TBTA Facilities different undiscounted toll rates to be applicable depending upon whether a toll is paid by means of an electronic toll collection system or otherwise and, in the case of tolls collected by means of an electronic toll collection system, imposes different tolls to be applicable at different times of the day, on different days of the week or during different periods of the year, the limits on the maximum discounts from undiscounted toll rates shall be measured against the undiscounted toll rate applicable to the crossing over or through that TBTA Facility in the absence of a discount.

The minimum crossing charge, regardless of whether such charge is denominated as a toll, surcharge, fee or in any other manner after giving effect to any exemption, exclusion or discount applicable thereto and without regard to the manner in which such charge is collected, for automobiles which contain not more than two persons shall at all times be at least one dollar and sixty cents for each crossing over the Verrazano-Narrows Bridge, the Triborough Bridge (a round trip to Randall's Island or Ward's Island to constitute a single crossing), the Bronx-Whitestone Bridge or the Throgs Neck Bridge or through the Brooklyn Battery Tunnel or the Queens-Midtown Tunnel and at least .667 dollars for each crossing over the Henry Hudson Bridge, the Marine Parkway-Gil Hodges Memorial Bridge or the Cross Bay Veterans Memorial Bridge.

The Issuer may permit toll free crossings with respect to the TBTA Facilities designated in this caption with respect to (i) the vehicles of present and former members, officers and employees of the Issuer, (ii) military, police, fire, ambulance and other emergency, service and maintenance vehicles, (iii) vehicles of persons employed on Ward's Island or Randall's Island traveling to and from such Islands over the Triborough Bridge and (iv) other vehicles by passes or permits, provided that there shall not be more than 500 passes or permits outstanding at any one time.

The Issuer may with respect to such TBTA Facilities at any time convert to methods of toll collection other than those presently utilized, including toll collection in one direction only.

On or before the 120th day after the close of each calendar year when the calculations made pursuant to the first paragraph under this caption indicate that Revenues are not at the required levels, the Issuer shall cause an Independent Engineer to complete a review of the Issuer's financial condition for the purpose of estimating whether the Revenues in each of two subsequent calendar years will be sufficient, together with other moneys available therefor, to meet all requirements as specified in the first paragraph under this caption. Such review shall be evidenced by a certificate of an Independent Engineer which shall be filed with the Trustee on or before the 60th day thereafter and shall set forth a reasonably detailed statement of the actual and estimated Revenues, Operating Expenses, and other pertinent information for such year upon which such determination was made. If any such

statement shows that such Revenues may not be sufficient to meet the requirements specified in the first paragraph under this caption, the Issuer shall promptly fix and establish such tolls, rentals and other charges and take such other action as shall be necessary and sufficient to comply as nearly as practicable with the covenants in the first paragraph under this caption, as evidenced by a certificate of an Authorized Officer filed with the Trustee. Failure to comply with the covenants in the first paragraph under this caption will not constitute a default if the Independent Engineer is of the opinion that a schedule of tolls, rentals and other charges which will comply with such covenants is impracticable at that time and the Issuer establishes a schedule of tolls, rentals and other charges which is recommended by the Independent Engineer to comply as nearly as practicable with such covenants.

(Section 606)

Agreement of the State; Limited Waiver by Owners

The Issuer incorporates the pledges, covenants and agreements of the State with the Owners of the Obligations set forth in the TBTA Act as though set forth in full in the Resolution. Notwithstanding the provisions of the agreement of the State contained in the TBTA Act, all Owners, by their acceptance and holding of the Obligations, consent to the construction and operation by the Issuer (or to the construction by Persons other than the Issuer if the Issuer shall have assumed the operation thereof), and waive any and all rights under the TBTA Act with respect to such construction and operation, of any vehicular toll bridge or toll tunnel crossing the East River in the City as to which (i) so long as any Prior Lien Obligations remain outstanding and unpaid, a supplemental resolution confirming the pledge of the revenues therefrom shall have been filed with the trustee under the 1980 Resolution, together with any supporting documentation required in connection therewith pursuant to the 1980 Resolution, and (ii) after the payment of all Prior Lien Obligations within the meaning and with the effect expressed in the 1980 Resolution or other applicable authorizing document, a Supplemental Resolution confirming the pledge of the revenues therefrom shall have been filed with the Trustee together with the Counsel's Opinion required in connection therewith pursuant to the Resolution.

(Section 607)

Additional TBTA Facilities

An Additional TBTA Project shall become a TBTA Facility as of any date on or prior to which there has been submitted to the Trustee a certificate of an Authorized Officer designating such Additional TBTA Project to be a TBTA Facility, as well as each of the following items:

- (1) A certificate of an Authorized Officer to the effect that either (a) the Additional TBTA Project has been in operation (whether or not by the Issuer) for a period of at least 12 months prior to the date of such designation, and that for a period of any 12 consecutive calendar months out of the 18 calendar months next preceding the date of designation as an additional TBTA Facility the Additional TBTA Project Revenues derived from the operation of such Additional TBTA Project exceeded the operating expenses for such Additional TBTA Project or (b) the Additional TBTA Project is in operation and, in such Authorized Officer's opinion, the Additional TBTA Project Revenues to be derived from the operation of such Project will exceed the operating expenses for such Additional TBTA Project during the first 12 months of operation;
- (2) A Counsel's Opinion to the effect that the Issuer has good right and lawful authority to acquire, design, construct, maintain, operate, finance, improve, reconstruct, rehabilitate or otherwise undertake such Additional TBTA Project and to establish, levy, maintain and collect, during the term of the Obligations, tolls, rentals, rates, fees or other charges in connection therewith, which establishment, levy, maintenance or collection shall not then require or be subject to any legislative appropriation;
- (3) A Counsel's Opinion stating whether or not the Issuer is required by law to have a license, order or other authority from any federal, State or other governmental agency or regulatory body having lawful jurisdiction in connection with such Additional TBTA Project, and, if so required, that such

license, order or other authority has been obtained, provided that if any such license, order or other authority shall not have been obtained, the Trustee may accept in lieu of the Opinion of Counsel provided for in this paragraph, a certificate of an Authorized Officer that the Issuer represents and warrants that it will proceed with all diligence to obtain such license, order or other authority;

- (4) A certificate of an Authorized Officer setting forth (A) as applicable, the actual or anticipated Revenues and Operating Expenses of the Issuer for the 12-month period selected; provided that in such Certificate (i) the Revenues and Operating Expenses shall be respectively increased by (a) as applicable, the actual or anticipated Additional TBTA Project Revenues and operating expenses of such Additional TBTA Project for such 12-month period and (b) the actual or anticipated Additional TBTA Project Revenues and operating expenses of any Additional TBTA Project operated by or under lease from the Issuer otherwise than as an Additional TBTA Project during any part of the period covered by such Certificate calculated as if the respective definitions of Revenues and Operating Expenses in the Resolution had been applicable thereto, and (ii) if on the date of such designation by the Issuer the toll rate for any classification of vehicles using any vehicular toll TBTA Facility (including the Additional TBTA Project) shall be less than it was during any part of the period covered by such Certificate, the Revenues for such part of such period shall be decreased by an amount equal to the difference in such toll rate multiplied by the number of such vehicles which used such TBTA Facility during such part of such 12-month period and (iii) if on the date of such designation by the Issuer the toll rate for any classification of vehicles using any vehicular toll TBTA Facility (including the Additional TBTA Project) shall be greater than it was during any part of the period covered by such Certificate, the Revenues for such part of such period may be increased by an amount equal to the difference in such toll rate multiplied by the number of such vehicles which used such TBTA Facility during such part of such 12-month period, and (B) that for such 12-month period the Revenues less Operating Expenses, as calculated pursuant to clause (A) of this paragraph (for purposes of this caption, "Net Revenues"), are at least equal to 1.40 times Maximum Annual Calculated Debt Service during such period;
- (5) A certificate of an Independent Engineer setting forth that, in the opinion of such Independent Engineer, for each of five successive 12-month periods, the earliest of which begins on a calendar quarterly date not more than 60 days immediately following the date of designation as an Additional TBTA Project, the Net Revenues in each 12-month period (after giving effect to such designation) will be at least equal to 1.40 times the maximum Calculated Debt Service for any of such successive 12-month periods; and
- (6) A certificate of an Authorized Officer to the effect that the Additional TBTA Project Revenues of such Additional TBTA Project are deemed to be Revenues and are pledged for the payment of the principal and Redemption Price of, and interest on, the Obligations and, on a parity basis, the Parity Debt.

(Section 608)

Events of Default

Each of the following events is defined as and shall constitute an "Event of Default" under the Resolution:

- (1) if default shall be made in the due and punctual payment of the principal or Redemption Price of, or interest on, any Obligation when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise and such default shall continue for a period of 30 days, or

- (2) if default shall be made by the Issuer in the performance or observance on its part of any other of the covenants, agreements or conditions contained in the Resolution or in the Obligations, and such default shall continue for a period of 60 days after written notice thereof to the Issuer by the Trustee or to the Issuer and to the Trustee by the Owners of a majority in principal amount of the Obligations Outstanding; provided, however, that if such default shall be such that it cannot be corrected within such 60 day period, it shall not constitute an Event of Default if corrective action is instituted within such period and diligently pursued until the failure is corrected.

(Section 701)

Powers of Trustee

In the event that any Event of Default specified in the section of the Resolution summarized under the caption "Events of Default" shall occur and be continuing, the Trustee may, and, upon written request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, shall, in its name,

- (1) by suit, action or proceeding in accordance with the civil practice law and rules, enforce all rights of the Owners of Obligations;
- (2) bring suit upon the Obligations against the Issuer;
- (3) by action or suit, require the Issuer to account as if it were the trustee of an express trust for the Owners of the Obligations;
- (4) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Obligations; or
- (5) declare, on thirty days' written notice to the Issuer, the principal of all the Obligations then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in any of the Obligations contained to the contrary notwithstanding. The right of the Trustee or of the Owners of a majority in principal amount of the Obligations to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Obligations shall have matured by their terms, all overdue installments of interest upon the Obligations, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums then payable by the Issuer under the Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Obligations due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Issuer or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Obligations or under the Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Owners of a majority in principal amount of the Obligations Outstanding, by written notice to the Issuer and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted without a direction from the Owners, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Owners of a majority in principal amount of the Obligations then Outstanding, then any such declaration shall automatically be deemed to be rescinded and any such default and its consequences shall automatically be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

The remedies conferred upon or reserved to the Trustee in respect of any Event of Default are not intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

The Trustee shall in addition to the foregoing powers, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth in the Resolution or incidental to the general representation of Owners of Obligations in the enforcement and protection of their rights.

The Issuer covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Issuer and all other records relating to the Trust Estate shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys and, upon demand of the Trustee, the Issuer will account, as if it were the trustee of an express trust, for the Trust Estate for such period as shall be stated in such demand.

The right of the Trustee to the appointment of a receiver as provided in the TBTA Act is abrogated under the Resolution.

(Section 702)

Priority of Payments After Default

In the event that the funds held by the Fiduciaries shall be insufficient for the payment of interest and principal or Redemption Price then due on the Obligations and for payments then due with respect to Parity Debt, such funds (excluding funds held for the payment or redemption of particular Obligations which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any fund or account under the Resolution have been designated to be applied solely to the payment of the principal of and premium, if any, and interest on any series of Obligation Anticipation Notes) and any other money received or collected by the Fiduciaries, or the Trustee, after making provision for the payment of any expenses necessary in the opinion of the Trustee to preserve the continuity of the amounts to be received under the Resolution or otherwise to protect the interest of the Owners of the Obligations, and for the payment of the charges and expenses and liabilities incurred and advances made by the Fiduciaries in the performance of their duties under the Resolution, shall be applied as follows:

Unless the principal of all of the Obligations shall have become due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due with respect to Obligations and the interest components of Parity Debt in the order of the maturity of such installments and interest components, and, if the amount available shall not be sufficient to pay in full any installments and interest components due on the same date, then to the payment thereof ratably, according to the amounts due on such installments and interest components, to the Persons entitled thereto, without any discrimination or preference, except as to the difference in the respective rates of interest specified in such Obligations and Parity Debt; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Obligations and the principal component of Parity Debt which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amount available shall not be sufficient to pay in full all the Obligations and Parity Debt due on any date, then to the payment thereof ratably, according to the amounts of principal and Redemption Price and principal component due on such date, to the Persons entitled thereto, without any discrimination or preference

If the principal of all of the Obligations and the principal component of Parity Debt shall have become due and payable, to the payment of the principal and interest then due and unpaid upon the Obligations and Parity Debt without preference or priority of principal or principal component over interest or interest component or of interest or interest component over principal or principal component, or of any installment of interest or interest component over any other installment of interest or interest component, or of any Obligation or Parity Debt over any other Obligation or Parity Debt, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto, without any discretion or preference except as to any difference in the respective rates of interest specified in the Obligations and Parity Debt.

(Section 703)